

July 10, 2007

FCC Commission's Secretary
Office of the Secretary
Federal Communications Commission
Washington, DC

Re: Direct Communications Cedar Valley
CC Docket No. 96-45 / DA 07-2699

On August 29, 2006, Direct Communications Cedar Valley, LLC ("Direct Communications" or "DCCV") filed a Petition of Waiver of sections 36.611 and 36.612 of the Commission's rules. DCCV requests that it be allowed to receive immediate high-cost loop support, effective as of February 1, 2006.

The Public Service Commission of Utah ("UPSC") issued an order on August 9, 2004 authorizing Direct Communications to purchase the telecommunications facilities of the City of Eagle Mountain ("the City" or "Eagle Mountain"). The City was incorporated in 1996, having been privately developed in an area where no community existed before. Prior to 1996, the only activity in the area was agricultural rangeland and dry farming. The nearest community was 8 miles away from the center of the City. The City created and operated the telephone system to serve the members of the City.

The UPSC found that the telephone system operated by the City problematic for the City, its' subscribers and to some extent Utah regulators since its inception. Eagle Mountain telephone system was a high cost, rural telephone system that did not participate in receiving universal service support. It was the belief of The Division of Public Utilities ("Division"), an indirect staff of the UPSC, that the receipt of federal universal service support is critical to the economic viability of the telephone system to be purchased by Direct Communications.

In the order issued by the UPSC, the State Commission found that Direct Communications qualified to be an incumbent local exchange carrier ("ILEC") as a rural telephone company serving the City of Eagle Mountain and to be classified and designated as an eligible telecommunications carrier ("ETC") for federal and state universal service funding.

The Division has reviewed the petition of DCCV and believes that FCC support is appropriate for the requests for waiver of sections 36.611 and 36.612 allowing DCCV to receive immediate high cost loop support.

Sincerely,

Constance B. White, Director – Utah Division of Public Utilities

